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TO RUEADWW/WHITE HOUSE IMMEDIATE  
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SECRET SECTION 1 6 QUITO 3649

LIMDIS

FROM CARTER PARTY

E.O. 11652: GDS

TAGS: OVIP (CARTER, ROSALYNN), PFOR

SUBJECT: MEMORANDUM OF CONVERSATION: QUITO

1. SUMMARY. IN THREE-HOUR DISCUSSION WITH MRS. CARTER AND PARTY, ECUADOREAN SIDE, LED BY SUPREME COUNCIL PRESIDENT POVEDA, MADE FORCEFUL PRESENTATION FOR IMPROVED SECURITY ASSISTANCE RELATIONSHIP WITH U.S. FORMULATION, EXPRESSED WITH VARIOUS NUANCES BY SEVERAL SENIOR MILITARY OFFICERS ON ECUADOREAN SIDE, WAS THAT PERU'S RECENT LARGE-SCALE ACQUISITION OF ARMS HAD CREATED A SERIOUS POWER IMBALANCE IN THE REGION AND THE RESULTING DESTABILIZATION WAS A THREAT TO PEACE. ECUADOR, THEY ARGUED, IS RELATIVELY DEFENSELESS IN THE FACE OF THIS THREAT AND NEEDED THE URGENT COOPERATION OF THE U.S. IN ACQUIRING AIR DEFENSE CAPABILITY, FLEET MODERNIZATION, AND ANTI-TANK EQUIPMENT. ECUADOREANS ARGUED THAT THEY AGREED WITH USG NEW ARMS TRANSFER POLICY, AND BELIEVED THAT THEIR SITUATION EXACTLY FIT ONE OF ITS QUALIFICATIONS, E.G., WHERE COUNTRIES FRIENDLY TO THE U.S. MUST DEPEND ON ADVANCED WEAPONRY TO OFFSET QUANTITATIVE AND OTHER DISADVANTAGES IN ORDER TO MAINTAIN A REGIONAL BALANCE. IN THIS CONTEXT, THEY QUESTIONED THE KFIR DECISION AS PART OF THE GENERAL PRESENTATION.

2. AFTER EXPLAINING THE CARTER ADMINISTRATION'S OVERALL APPROACH TO FOREIGN RELATIONS AND MORE PARTICULARLY TO LATIN AMERICA, MRS. CARTER EXPLAINED THE PHILOSOPHY BEHIND THE PRESIDENT'S ARMS TRANSFER POLICY AND STRESSED THAT THE KFIR DECISION HAD NOT BEEN DIRECTED AGAINST ECUADOR, BUT WAS PART OF AN EMERGIN GLOBAL POLICY. MRS. CARTER SAID THAT IF PERU'S ACQUISITION OF SOVIET AIRCRAFT AND OTHER ARMS WAS INDEED CREATING AN IMBALANCE, SHE WOULD

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BRING IT TO THE PRESIDENT'S ATTENTION, ASST. SECY. TODMAN EMPHASIZED THAT U.S. HAD BEEN ACTIVE IN COOPERATING WITH ANDEAN COUNTRIES IN SEARCH FOR PEACE. AMB. BLOOMFIELD NOTED SEVERAL RECENT CASES WHERE U.S. HAS RESPONDED WELL TO ECUADOREAN REQUESTS AND STRESSED THAT IT WOULD CONTINUE TO DO ALL IT COULD WITHIN THE NEW POLICY GUIDELINES.

3. ECUADOREAN SIDE EXPLAINED ITS PROCESS OF TRANSFERRING POWER TO CIVILIAN GOVERNMENT AND EXPRESSED PRIDE IN ITS HUMAN RIGHTS RECORD. MRS. CARTER EXPRESSED ADMIRATION FOR ECUADOREAN EFFORTS IN BOTH AREAS, AND ASKED ECUADOR TO BECOME MORE ACTIVE WITHIN THE INTER-AMERICAN SYSTEM TO PROMOTE HUMAN RIGHTS AND SERVE AS AN EXAMPLE JUST AS IT WAS IN ITS RETURN TO DEMOCRACY. THE ECUADOREANS PLEDGED THAT THEY WOULD SUPPORT WHATEVER IS NECESSARY TO STRENGTHEN HUMAN RIGHTS IN THE HEMISPHERE. AFTERWARDS AND IN CONVERSATION WITH ADM POVEDA MRS. CARTER AND OTHERS IN HER PARTY (IN CONVERSATIONS WITH HIGH FOREIGN MINISTRY OFFICIALS, WE WERE TOLD THAT ECUADOR WOULD INDEED RATIFY THE AMERICAN CONVENTION, BUT THEY WERE CONCERNED THAT THE TIMING -- FROM THE PERSPECTIVE OF THEIR SECURITY SITUATION -- WAS NOT YET RIGHT.) AT ONE POINT, THEY SUGGESTED THAT THEIR ABILITY TO MAKE FURTHER PROGRESS TOWARDS DEMOCRACY COULD BE AFFECTED BY WHETHER THEY RECEIVE SECURITY AND ECONOMIC ASSISTANCE.

AS A RESULT OF THE WAY THE ECUADOREANS ORGANIZED THE AGENDA FOR THE MEETING, THE ARMS ISSUE DOMINATED THE DISCUSSION, WITH HUMAN RIGHTS RAISED BY MRS. CARTER, AND THE OPEC-EXCLUSIONARY AMENDMENT NOT RAISED AT ALL. (HOWEVER, ASST. SECY. TODMAN, IN A CONVERSATION LATER IN THE DAY WITH FOREIGN MINISTRY OFFICIALS, CONVEYED THE PRESIDENT'S SENTIMENT THAT PRESIDENT CARTER OPPOSED THE AMENDMENT BUT DID NOT WANT TO TAKE A PUBLIC STAND NOW BECAUSE OF TIMING AND BECAUSE HE DID NOT WANT TO SEEM TO PROMISE UNLESS HE COULD BE MORE CERTAIN HE COULD DELIVER.) END SUMMARY.

4. MRS. CARTER CALLED UPON THE SUPREME COUNCIL OF GOVERNMENT AT THE PRESIDENTIAL PALACE ON JUNE 2. FOLLOWING INTRODUCTIONS, AN EXCHANGE OF PLEASANTRIES, AND PRESENTATION OF GIFTS WITH THE SUPREME COUNCIL

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AND OTHER ECUADOREAN OFFICIALS EMBARKED UPON A THREE-HOUR DISCUSSION OF BILATERAL AND REGIONAL POLITICAL AND SECURITY ISSUES.

5. THE ECUADOREAN PARTICIPANTS WERE: ADMIRAL ALFREDO POVEDA BURBANO, PRESIDENT OF SUPREME COUNCIL; GENERAL GUILLERMO DURAN ARCENTALES, SUPREME COUNCIL; GENERAL LEORO, SUPREME COUNCIL; FOREIGN MINISTER JOERGE SALVADOR LARA; DEFENSE MINISTER ANDRES ARRATA; MINISTER OF GOVERNMENT CL. BOLIVAR JARRIN; CHIEF OF STAFF OF JOINT COMMAND, GEN. CARLOS AGUIRRE ASANZA; PLUS ECONOMIC SECTOR MINISTERS AND KEY AGENCY CHIEFS WHO DID NOT ENTER INTO DISCUSSIONS. THE U.S. PARTICIPANTS WERE: MRS. CARTER; ASST. SECY. TERENCE TODMAN; AMBASSADOR RICHARD BLOOMFIELD; MS. MARY HOYT; MR. ROBERT PASTOR; MS. CAROL BENEFIELD (STENOGRAPHER); MS. STEPHANIE VON REIGERSBERG (INTERPRETER).

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**S E C R E T** SECTION 2 OF 6 QUITO 03649

LIMDIS

FROM CARTER PARTY

6. PRESIDENT POVEDA PROCEEDED INTO AN OVERVIEW OF FOREIGN AFFAIRS. HE NOTED THAT RECENT GEOPOLITICAL CHANGES IN LATIN AMERICA HAD OCCURRED AND THAT THE ENTER OF POLITICAL GRAVITY HAD SHIFTED FROM THE SOUTHERN CONE COUNTRIES TO BRAZIL. THERE WAS ALSO A GRAVITATION OF POWER TOWARDS THE CARIBBEAN WHERE CENTRAL AMERICAN UNITY HAD BECOME A FORCE AND WHERE VENEZUELA WAS ATTEMPTING TO BRING INTO BEING A NEW DIMENSION IN LATIN AMERICAN FOREIGN POLICY. BUT FOR SOUTH AMERICA, ONE OF THE GREATEST CONCERNS WAS THE LEFTIST CURRENT THAT HAD BEEN OPERATIVE IN PERU. HE BELIEVED THAT THIS CURRENT HAD INFILTRATED INTO BOTH THE MILITARY AND CIVILIAN SECTORS AND ALTHOUGH MODERATED SOMEWHAT BY THE PRESENT PERUVIAN GOVERNMENT, IT WAS STILL RUNNING QUITE STRONG. HE NOTED THE PROBLEM CREATED BY THE PERU-BOLIVIA-CHILE TRIANGLE AND PREDICTED THAT THE SITUATION WOULD BECOME MORE TENSE AS THE 100 YEAR ANNIVERSARY OF THE WAR OF THE PACIFIC DREW NEAR IN 1979. MOREOVER, DESPITE RECENT POLITICAL STATEMENTS OF FRIENDSHIP AND HIGH-LEVEL VISITS, THERE HAD BEEN A DANGEROUS POLITICAL DETERIORATION IN THE REGION WHICH COULD LEAD TO HOSTILITIES AND IN WHICH ECUADOR MIGHT FIND ITSELF INVOLVED.

7. POVEDA RECALLED PERU'S INVASION OF ECUADOR IN 1941 WHEN ECUADOR LOST 50 PERCENT OF ITS NATIONAL TERRITORY. HE DECLARED THAT ECUADOR WAS BY TRADITION AND RIGHT AN AMAZONIAN POWER AND STATED THAT THEY HAD BEEN HOLDING TALKS WITH THE PERUVIANS TO SEEK A PEACEFUL SOLUTION TO THIS PROBLEM. HE OBSERVED THAT ALTHOUGH DIPLOMATIC RELATIONS WITH PERU HAD REACHED A LOW POINT LAST DECEMBER, THEY HAD NOW NORMALIZED, BUT HE WAS GRAVELY WORRIED ABOUT THE PERUVIAN ARMS BUILD-UP, BELIEV-

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ING IT ENTIRELY DISPROPORTIONATE BOTH TO PERU'S ECONOMY AND TO THE MILITARY POTENTIAL OF ITS NEIGHBORS. FURTHER COMPLICATING THE SITUATION IN PERU, HE CONTINUED, WAS THAT MOST OF THE ARMS HAD COME FROM THE SOVIET UNION. POVEDA REVEALED THAT ECUADOR HAD ALSO RECEIVED A FEELER FROM THE SOVIET UNION REGARDING ARMS AND EQUIPMENT, BUT DUE TO ECUADOREAN POLICY, ITS NATIONAL CHARACTER, AND WAY OF LIFE, ECUADOR WAS RELUCTANT TO ACCEPT THE SOVIET PHYSICAL AND PSYCHOLOGICAL PRESENCE WHICH WOULD BE ESTABLISHED BY AN ARMS SUPPLIER-PURCHASER RELATIONSHIP.

8. POVEDA CEDED TO THE MINISTER OF FOREIGN AFFAIRS, JORGE SALVADOR LARA, WHO DELINEATED ECUADOREAN PRINCIPLES IN INTERNATIONAL LAW. SALVADOR SAID THAT ECUADOR WAS MOTIVATED BY THE PRINCIPLES OF DEMOCRACY, RESPECT FOR INTERNATIONAL LAW, DEFENSE OF ITS SOVEREIGNTY, NON-INTERVENTION, THE REPUDIATION OF THE LEGITIMACY OF TERRITORY TAKEN BY FORCE, THE PROMOTION OF HUMAN RIGHTS AND THE ELIMINATION OF RACIAL DISCRIMINATION. ECUADOR, HE SAID, IS A FRIEND OF THE UNITED STATES BECAUSE OF ITS HISTORIC TIES, ITS DEDICATION TO DEMOCRATIC PRINCIPLES, CERTAIN GEOPOLITICAL IMPERATIVES, AND THE NEED FOR EXPANSION OF TRADE. ECHOING POVEDA'S REMARKS ON THE ANDEAN SITUATION, SALVADOR SAID THAT THERE WERE VARIOUS ASPECTS OF THE SITUATION EACH OF WHICH SEPARATELY WOULD BE DISTURBING, BUT TAKEN TOGETHER REPRESENTED A TRULY EXPOSIVE POTENTIAL. ONE OF THE FACTORS WAS THE LANDLOCKED STATUS OF BOLIVIA AND ITS RELATION WITH PERU AND CHILE. A SECOND WAS THE ARMS ACQUISITIONS OF PERU WHICH HAD CREATED A QUALITATIVE AND QUANTATIVE POWER IMBALANCE IN THE REGION AT THE EXPENSE OF DOMESTIC RECESSION AND IMPOVERISHMENT OF THE PERUVIAN MASSES. A THIRD WAS THE SOVIET PRESENCE IN PERU. NOTWITHSTANDING THE NORMALIZATION OF DIPLOMATIC RELATIONS WITH PERU, THESE FACTORS, HE SAID, COULD SPELL REGIONAL TRAGEDY. SALVADOR ALSO REFERRED TO PERU'S INVASION OF ECUADOREAN-CLAIMED TERRITORY IN 194 AND ITS DEPRIVATION OF AN AMAZONIAN OUTLET. ECUADOR ONLY WISHED AN HONORABLE CONCILIATION WITH PERU WHICH WOULD RESULT IN AN OUTLET TO THE AMAZON. REPEATING HIS CONCERN ABOUT THE POTENTIAL FOR HOSTILITIES IN THE REGION, HE STATED THAT ECUADOR IS

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HAPPY THAT THE US. SHARD ITS CONCERN. HE HOPED THAT THE UNITED STATES WOULD MAINTAIN ITS POSITION OF BEING WILLING TO COOPERTE TO BRING ABOUT A RELAXATION OF TENSIOONS IN THE AREA.

9. MRS. CARTER RESPONDED WITH A GENERAL VIEW OF THE PRESIDENT'S POLICY TOWARDS LATIN AMERICA AND THE WORLD. SHE EXPLAINED THAT THE ADMINISTRATION REFLECTED A NEW AND MORE OPEN VIEW TO WRLD AND DOMESTIC AFFARIS AS WELL AS A CONVICTION THAT WE CANNOT ACT ABROAD IN A WAY THAT WE WOULD NOT ACT AT HOME. THE PRESIDENT SEES A NEED FOR A WIDER SYSTEM OF WORLD COOPERATION AND BELIEVES THATWE AE IN A NEW HISTORIC ER. PROBLEMS MUST BE FACED ON A WORLDWIDE BASIS. WE MUST REACH OUT TO AREAS BEYOND THE INDUSTRIALIZED COUNTRIES AND TRY TO UNDERSTAND EACH OTHR. IN THIS CONTEXT, LATIN AMERICA IS VERY IMPORT- ANT AND WAS ONE OF THE REASONS FOR HER VISIT. DE- SCRIBING HUMAN RIGHTS AS THE SECOND MAJOR TENET OF THE ADMINISTRATION'S FOREIGN POLICY, SHE NOTED THAT THE COMMITMENT WAS NOT JUST A VIEW OF THE PRESIDENT, BUT OF THE ENTIRE AMERICAN PEOPLE. WE BELIEE, SHE SAID, THAT THIS CONCERN IS SHARED BY THE PEOPLE OF THIS HEMISPHERE AND THAT THIS COMMON BELIEF CAN BE THE BASIS FOR A WORLD- WIDE SYSTEM OF COOPERATION ON HUMAN RIGHTS. ANOTHER TENET OF OUR FOREIGN POLICY IS CONTROL AND REDUCTION OF NUCLEAR AND CONVENTIONAL ARMS. SHE RECALLED THAT THE LAST THING SHE DID BEFORE LEAVING WASHINGTON WAS TO ATTEND THE CEREMONY OF THE SIGNING OF THE PROTOCOL 1 OF THE TREATY OF TLATELOLCO, ONE OF THE FIRST THINGS THE PRESIDENT DID AFTER HIS INAUGURTION WAS TO ASK FOR A STUDY OF CONVENTION MS SALES POLICY. WHILE THAT STUDY WAS UNDER WAY, A DIFFICULT DECISION HAD TO BE MADE REGARDING THE SALE OF KFIR FIGHTERS TO ECUADOR. SHE EXPLAINED THAT THE DECISION WAS MADE IN A WAY THAT WAS THOUGHT CONSISTENT WITH OUR EMERGING ARMS POLICY.

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MRS. CARTER LISTED THE THREE MAIN ELEMENTS OF THAT AS  
(A) REDUCTION OF THE AMOUNT OF ARMS SOLD BY THE US,  
YEAR BY YEAR; (B) NOT TO INTRODUCE NEW SOPHISTICATED  
WEAPONS TO A REGION WHICH WOULD ESCALATE THE ARMS RACE,  
AND (C) TO SEEK AGREEMENT BY ARMS SUPPLIERS AND PUR-  
CHASERS TO LIMIT ARMS TRANSFERS, FOCUSING ON LATIN  
AMERICAN POLICY, MRS. CARTER QUOTED FROM THE PRESI-  
DENT'S PAN AMERICAN DAY SPEECH. FIRST, SHE SAID, OUT  
RESPECT FOR THE INDEPENDENCE AND INDIVIDUALITY AND  
SOVEREIGNTY OF THE NATIONS IN LATIN AMERICA. SECOND,  
THE US. WANTS TO PROMOTE PEACE AND STABILITY IN THE  
AREA. THIRD WAS OUR EMPHASIS ON THE PRO-  
MOTION OF HUMAN RIGHTS WITHIN AN INTER-AMERICAN CON-  
TEXT. SHE ALSO NOTED THAT THE PRESIDENT HAD EXPRESSED  
US. SUPPORT FOR THE AYACUCHO DECLARATION AS A PO-  
TENTIAL EXAMPLE TO THE WORLD OF HOW TO SEEK WAYS TO  
COOPERATE ON THESE PROBLEMS.

10. ASST. SECY. TODMAN OBSERVED THAT THE STATE DEPART-  
MENT HAD BEEN CARRYING OUT THE PRESIDENT'S POLICY IN  
THIS REGARD BY CONSULTING WITH OTHER COUNTRIES IN THE  
SEARCH FOR PEACE. THIS WAS PARTICULARLY TRUE IN THE  
ANDEAN REGION WHERE THE DEPARTMENT AD EMBARKED UPON A  
SERIES OF CONSULTATIONS WITH COUNTRIES IN THE SUB-  
REGION. HE ALSO RECALLED THAT WHEN FOREIGN MINISTER  
DE LA PUENTE OF PERU HAD VISITED WASHINGTON EARLIER THIS  
YEAR, HE WAS INFORMED OF OUR CONCERN ABOUT THE EXTENT  
OF THE ARMS BUILD-UP IN HIS COUNTRY. TODMAN SAID HE  
WAS PLEASED TO SOME EXTENT BY THE EXCHANGES OF VISITS  
AMONG THE LEADERS OF ALL THE COUNTRIES, BELIEVING THAT  
THIS WOULD GIVE EACH COUNTRY THE OPPORTUNITY TO AP-  
PRECATE BETTER THE INTENTIONS AND IDEAS OF THE OTHERS.  
HE HOPED THAT THESE CONSULTATIONS AND VISITS WOULD  
CONTINUE AND WOULD LEAD TO A REDUCTION OF TENSION IN

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THE AREA. FOR OUR PART, HE CONCLUDED, WE WILL CONTINUE TO WATCH THE SITUATION VERY CLOSELY AND KEEP IN TOUCH WITH LEADERS OF ALL THE COUNTRIES OF THE AREA.

11. COMMENTING ON THE STATEMENTS BY MRS. CARTER AND ASST. SECY. TODMAN, PRESIDENT POVEDA DECLARED THAT ECUADOREAN FOREIGN POLICY COINCIDED 100 PERCENT WITH THE POLICY OF PRESIDENT CARTER IN CERTAIN AREAS. IN HUMAN RIGHTS AND IN THE ARMS QUESTION, HE SAID, ECUADOR WAS IN NEAR PERFECT AGREEMENT WITH THE US. NO COUNTRY WITH A DEMOCRATIC AMBIENCE, HE EXPLAINED, COULD REALLY OPPOSE US. EFFORTS TO BRING ABOUT PEACE IN THE WORLD, HE APPRECIATED THE ADMINISTRATION'S POLICY OF CONSULTATION AND COOPERATION WHICH MET A SORELY FELT NEED AMONG COUNTRIES WHICH DID NOT PREVIOUSLY HAVE THE FULL ATTENTION OF THE UNITED STATES. HE CHARACTERIZED MRS. CARTER'S VISIT AS AN AMPLE DEMONSTRATION OF THIS POLICY. WITH REGARD TO ARMS SALES, POVEDA DID NOT BELIEVE THAT ECUADOR'S POSITION RAN COUNTER TO THE PRESIDENT'S POLICY. HE NOTED THAT THE PRESIDENT'S POLICY STATEMENT INDICATED THAT THE US. WOULD SUPPORT FRIENDLY COUNTRIES WHICH HAD TO DEPEND UPON ADVANCED WEAPONRY EITHER TO COMPENSATE FOR OVERALL DISADVANTAGES OR TO RESTORE A REGIONAL ARMS BALANCE. HE DECLARED THAT THOUGH ECUADOR WAS IN FAVOR OF US. ARMS TRANSFER POLICY, IT ALSO HOPED THAT DUE CONSIDERATION WOULD BE TAKEN FOR THE NATIONAL SECURITY ASPECTS IN EACH CASE. HE ARGUED THAT ECUADOR'S DEFENSE POSITION WAS SO WEAK AND ITS NEEDS SO SMALL THAT THEY COULD NOT POSSIBLY PRODUCE ALARM OR THREATEN THE PEACE. MEETING ECUADOR'S VERY SMALL REQUIREMENTS WOULD BE THE BEST WAY TO REDUCE THE WARLIKE INTENTIONS ON THE PART OF NEIGHBORING COUNTRIES. HE FORMULATED ECUADOREAN POLICY ON THIS QUESTION AS SEEKING ASSISTANCE AND RE-ESTABLISHING A BALANCE OF POWER IN THE REGION AND THEN FREEZING ARMS ACQUISITIONS IN THE NAME OF PROMOTING PEACE.

12. MRS. CARTER RESPONDED THAT THE US. ALSO WAS CONCERNED ABOUT THE AMOUNT OF MILITARY EQUIPMENT THAT PERU HAS PURCHASED, AND BY THE FACT THAT MOST OF IT HAS COME FROM THE SOVIET UNION. SHE REITERATED THAT WE HAD EXPRESSED OUR CONCERN OVER THE POTENTIAL

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DESTABILIZING EFFECT OF SUCH PURCHASES ON THE REGION, IF IT IS TRUE, SHE SAID, THAT THE PERUVIANS HAVE IN FACT BOUGHT SOPHISTICATED AIRCRAFT FROM THE SOVIET UNION THEREBY CREATING AN IMBALANCE, SHE WOULD BRING IT TO THE PRESIDENT'S ATTENTION, DECLINING TO MAKE ANY PROMISES THAT SHE COULD NOT KEEP REGARDING THE SALE OF ARMS, SHE ASSURED THE ECUADOREAN SIDE THAT SHE WOULD CONVEY THEIR MESSAGE TO THE PRESIDENT. ON THE OTHER HAND, SHE WONDERED WHY WE COULD NOT USE OUR IMAGINATION TO FIND ALTERNATIVE WAYS TO PROVIDE ECUADOR WITH THE SECURITY IT CLEARLY NEEDS RATHER THAN DIVERT SCARCE RESOURCES WHICH COULD BE USED FOR DEVELOPMENT INSTEAD OF DEFENSE EXPENDITURES. FOR EXAMPLE, SHE SUGGESTED THAT THE PEACE-KEEPING FUNCTIONS OF THE OAS OUGHT TO BE STRENGTHENED. SHE ASKED THE ECUADOREAN SIDE WHETHER THEY HAD ANY IDEAS ON THIS.

13. PRESIDENT POVEDA REQUESTED US COOPERATION IN CONVERTING THESE ALTERNATIVES INTO REAL POSSIBILITIES. REGARDING THE OAS, HE SAID HE SHARED MRS. CARTER'S INTEREST IN STRENGTHENING ITS PEACE-KEEPING FUNCTION AND WOULD LIKE TO HEAR MORE ABOUT IT.

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LIMDIS

FROM CARTER PARTY

14. FOREIGN MINISTER SALVADOR JOINED IN, STATING THAT ECUADOR WAS FIRMLY COMMITTED TO THE STRENGTHENING OF THE OAS. BUT, ALTHOUGH THE OAS HAS HAD SOME SUCCESS IN MAINTAINING PEACE IN THE REGION, SOME EXPERIENCES IN PEACE-KEEPING HAD BEEN DISAPPOINTING. HE TRUSTED THAT WITH RENEWED CONCERN ABOUT THIS QUESTION THAT THE PEACE-KEEPING FUNCTION, ESPECIALLY REGARDING THE CONTROL OF NUCLEAR DEVICES, WOULD BE STRENGTHENED. HE SPOKE OF THE POSSIBILITY, DISCUSSED SOME YEARS AGO, OF ESTABLISHING AN OAS PEACE-KEEPING FORCE, BUT NOTED THAT IT WAS FEARED BY SOME LATIN AMERICAN COUNTRIES AS A POTENTIAL INTERVENTIONIST FORCE. IF THESE FEARS COULD BE ERASED, HE THOUGH, THE PEACE-KEEPING FORCE CONCEPT MIGHT BE WORTH REVIVING, BUT THE TIME IS NOT YET RIPE FOR SUCH IDEAS AND TIME IS OF THE ESSENCE FOR ECUADOR.

15. SALVADOR, CONTINUING, SAID THAT ECUADOR HAD SUPPORTED THE AYACUCHO DECLARATION AT THE SACRIFICE OF A CERTAIN AMOUNT OF NATIONAL PRIDE. ECUADOR SIGNED THE DECLARATION IN THE HOPE THAT IT WOULD FURTHER PEACE AND STOP THE DIVERSION OF RESOURCES. UNFORTUNATELY, IMMEDIATELY AFTER SIGNING, PERU UNDERTOOK ITS LARGE-SCALE ARMS ACQUISITIONS POLICY WHICH HAS LED TO THE DETERIORATION OF ITS ECONOMY AND THE DEROGATION OF THE AYACUCHO DECLARATION. EMPHASIZING THAT ECUADOR WAS NEITHER ENGAGED IN AN ARMS RACE NOR WAS INITIATING ONE, SALVADOR HIGHLIGHTED THE NATIONAL NEED TO CORRECT THE QUANTITATIVE AND QUALITATIVE ARMS IMBALANCE. REFERRING TO U.S. ARMS TRANSFER POLICY, SALVADOR NOTED THAT PERU HAD BOUGHT SU-22 FIGHTER-BOMBERS FROM THE SOVIET UNION AND THEREFORE THE U.S. COULD NOT BE CONSIDERED THE FIRST

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TO INTRODUCE SUCH SOPHISTICATED WEAPONRY IN THE AREA. HE REALIZED THAT IT MUST HAVE BEEN DIFFICULT AND PAINFUL FOR PRESIDENT CARTER TO DECIDE TO VETO THE KFIR SALE TO ECUADOR, BUT THAT THIS DECISION WAS ALSO PAINFUL TO ECUADOR INASMUCH AS IT HAD PLACED ITS NATIONAL SECURITY IN JEOPARDY. SALVADOR WAS GRATIFIED THAT MRS. CARTER HAD HEARD ECUADOR'S VIEWS AND WOULD CONVEY THEM TO THE PRESIDENT. HE HOPED THAT MRS. CARTER'S DIRECT EXPOSURE TO THIS QUESTION WOULD DO MUCH TO CLEAR THE AIR.

16. MRS. CARTER REPLIED THAT KFIR DECISION HAD COME IN THE MIDDLE OF A REVIEW ON ARMS TRANSFER POLICIES IN THE EARLY DAYS OF THE ADMINISTRATION. SHE STRESSED THAT THE DECISION WAS NOT DIRECTED AGAINST ECUADOR BUT IT WAS PART OF A GLOBAL POLICY, AND AT THE SAME TIME, SHE SAID SHE UNDERSTOOD ECUADOR'S SECURITY CONCERNS AND THAT THE U.S. ALSO WAS INTERESTED IN PEACE AND SECURITY IN THIS REGION.

17. CONTINUING ON THE THEME OF SECURITY ASSISTANCE, POVEDA POINTED OUT THAT IF ECUADOR DID NOT TAKE APPROPRIATE AND TIMELY MEASURES TO INCREASE ITS DEFENSE CAPABILITY, THE PEACE OF THE REGION WOULD BE COMPROMISED. ALLUDING TO THE PRESIDENT'S ARMS TRANSFER POLICY, POVEDA SAID THAT ECUADOR FELT THAT IT WAS A COUNTRY FRIENDLY TO THE UNITED STATES. HE ALSO STRESSED THAT ECUADOR WAS A COUNTRY ON THE ROAD TO DEMOCRACY, A FREE COUNTRY WHERE EXTREMISM WAS MINIMAL. AS SUCH, IT SINCERELY BELIEVED THAT IT HAD A CLAIM ON THE ATTENTION OF THE U.S. WITH REGARD TO SECURITY ASSISTANCE. POVEDA STATED THAT ECUADOR HAD SPENT LITTLE ON ARMS HERETOFORE BECAUSE IT WAS IN AGREEMENT WITH THE U.S. ON THIS AS A MATTER OF PRINCIPLE. BECAUSE OF ITS SMALL MILITARY BUDGET IN THE PAST, ECUADOR HAD FINALLY BEGUN TO DEVELOP, BUT SOME HELP WITH SECURITY NOW, ALTHOUGH OF LITTLE SIGNIFICANCE TO THE U.S., WAS VITAL TO ECUADOR.

18. POVEDA NEXT TURNED TO GENERAL ARRATA, THE MINISTER OF DEFENSE, WHO RECALLED THE NATIONAL TRAGEDY OF 1941 WHEN THE COUNTRY HAD TO FACE A PERUVIAN INVASION WITHOUT BEING PROPERLY ARMED. ALTHOUGH ECUADOR HAD NEVER

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FORGOTTEN THIS, IT HAD DEVOTED THE MAJOR PART OF ECONOMIC RESOURCES TO SOCIAL AND ECONOMIC DEVELOPMENT UNTIL VERY RECENTLY. IT WAS ONLY AFTER PERU BEGAN ITS ARMS BUILD-UP AND CREATED THE TENSIONS IN THE REGION THAT ECUADOR BEGAN TO RE-EQUIP ITS ARMED FORCES. HE EMPHASIZED THAT ECUADOR'S SOLE PURPOSE WAS DEFENSE AND TO AVOID THE REPETITION OF THE EVENTS OF 1941. ARRATA WAS GRATEFUL FOR THE RESUMPTION OF SECURITY ASSISTANCE FROM THE U.S. AFTER A FOUR-YEAR SUSPENSION AND ESPECIALLY THE FMS CREDITS THAT IT HAD RECEIVED IN RECENT YEARS. IT INTENDED TO USE THESE CREDITS TO ACQUIRE DEFENSIVE EQUIPMENT IN ORDER TO DISSUADE ITS POTENTIAL ADVERSARY FROM ADVENTURISM AND THUS AVOID A CONFLICT. HE HOPED THAT ECUADOR'S INTEREST IN OBTAINING THE 24 KFIR FIGHTERS COULD BE VIEWED IN THIS LIGHT. HE CHARGED THAT THE U.S. VETO PRODUCED A DANGEROUS DELAY IN THE EXECUTION OF NATIONAL DEFENSE PLANS. ECUADOR ALSO CONSULTED WITH THE U.S. REGARDING AN INTEGRATED AIR DEFENSE SYSTEM, INCLUDING DETECTION EQUIPMENT AND MISSILES. IT HAD ALSO REQUESTED TWO OVER-AGE DESTROYERS SINCE THE ECUADOREAN NAVY HAD ONLY OBSOLETE SURFACE SHIPS. THE ARMY HAD ALSO MADE CERTAIN REQUESTS, BUT THERE HAD BEEN LONG DELAYS IN DELIVERY. ARRATA CONCLUDED BY ASKING, QUOTE NOW THAT YOU'VE HEARD ABOUT OUR FOREIGN POLICY AND THE MILITARY SITUATION -- WHICH YOU ALSO SAY IS RECOGNIZED BY YOU, ISN'T IT CLEAR WHY WE NEED YOUR GOVERNMENT'S HELP? UNQUOTE.

19. ARMY COMMANDER AND TRIUMVIRATE MEMBER, GENERAL DURAN, AFTER EXCHANGING PLEASANTRIES WITH MRS. CARTER, RECAPITULATED THE PROBLEMS THAT THE ARMY HAD HAD IN OBTAINING EQUIPMENT THROUGH THE FMS PROGRAM. HE RECALLED THAT GENERAL RACHMALLER HAD OFFERED TO ASSIST IN SPEEDING UP THE REQUESTS, BUT THERE WOULD STILL BE LONG DELAYS OF UP TO THREE YEARS FOR RATHER SMALL AMOUNTS OF EQUIPMENT. THE ANTI-TANK EQUIPMENT WHICH WAS SENT IN JANUARY HAD BEEN BARELY ENOUGH FOR TRAINING PURPOSES AND THE AMMUNITION HAS NOW BEEN ALMOST COMPLETELY USED UP. DURAN STRESSED THAT THE ANTI-TANK EQUIPMENT WAS EMINENTLY DEFENSIVE, ENABLING THE ARMY

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TO FACE A MASSIVE ARMORED ATTACK FROM PERU WHICH HAD  
SEVERAL HUNDRED SOVIET TANKS. DURAN CONCLUDED THAT  
HIS ONLY REQUEST WAS FOR THE U.S. TO COMPLY ON ITS  
SALES AGREEMENTS.

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LIMDIS

FROM CARTER PARTY

20. AIR FORCE COMMANDER AND TRIUMVIRATE MEMBER, GENERAL LEORO, EXPRESSED HIS PROFOUND DISAGREEMENT WITH THE KFIR VETO. HE EXPLAINED THAT ECUADOR, WHICH HAD ALWAYS DEPENDED ON U.S. EQUIPMENT, WOULD NOW HAVE TO LOOK ELSEWHERE FOR NEW SUPPLIERS. THE AIR FORCE WAS ONLY LOOKING TO BALANCE THE PERUVIAN POTENTIAL AND NOT TRYING TO TOP IT. IT WAS NOT ENGAGING IN AN ARMS RACE BUT WAS ONLY TRYING TO REPLACE THE METEORS AND CANNIBERRAS IT ACQUIRED IN 1954. HE HOPED THAT THE USG WOULD BE SENSITIVE TO THE SITUATION AND RECONSIDER THE VETO. HE REPEATED THAT ECUADOR WOULD HAVE TO LOOK ELSEWHERE -- NO MATTER WHERE. LEORO INSISTED THAT ECUADOR NEEDED WHAT HE TERMED AN QUOTE INTEGRATED UNQUOTE AIR DEFENSE SYSTEM, INCLUDING RADAR AND MISSILES. ECUADOR HAD RECEIVED BIDS FROM U.S. FIRMS FOR THE RADAR SYSTEMS, BUT NEEDED USG APPROVAL FOR THE HAWK MISSILE WHICH, HE ASSERTED, WAS TOTALLY DEFENSIVE. HE BEMOANED THE FACT THAT THE REQUESTS WHICH HAD BEEN CHANNELED THROUGH THE MILITARY LIAISON OFFICE HAD PRODUCED NO RESULTS. LEORO WOUND UP BY PLEADING FOR THE RENEWAL OF GRANTS FOR PILOT AND OTHER TECHNICAL TRAINING WHICH HE SAID HAD BEEN SUSPENDED. A POSITIVE U.S. REPLY ON THESE MATTERS, HE SAID, WOULD INDICATE THAT THE U.S. UNDERSTANDS AND SYMPATHIZES WITH ECUADOREAN PROBLEMS.

21. POVEDA BRIEFLY SKETCHED IN THE NAVAL POINT OF VIEW. HE THOUGHT THAT EXTREMELY CORDIAL RELATIONS HAD EXISTED BETWEEN THE U.S. AND THE ECUADOREAN NAVY SINCE 1975, AND THAT THE UNDERSTANDING AND COORDINATION BETWEEN THE EMBASSY AND THE NAVY HAD LED TO THE DE FACTO SOLUTION OF THE TUNA BOATS PROBLEM. HE WAS CONVINCED

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THAT AN UNDERSTANDING ON THIS HAD BEEN REACHED BECAUSE OF THE INTIMACY THAT HAD BEEN ACHIEVED WITH THE U.S. HE ALSO POINTED TO ECUADOR'S PARTICIPATION IN THE UNITAS EXERCISE AS ANOTHER EXAMPLE OF ECUADOREAN NAVY IDENTIFICATION WITH THE UNITED STATES. HE CONCLUDED BY PUTTING ON THE RECORD ECUADOR'S STANDING REQUEST FOR TWO DESTROYERS AND SOME AUXILIARY SHIPS.

22. GENERAL CARLOS AGUIRRE ASANZA, CHIEF OF STAFF OF THE JOINT COMMAND, UNDERLINED THE PREVIOUS REMARKS ON SECURITY ASSISTANCE. HE ADDED THAT ECUADOR HAD MANY OFFERS FROM OTHER COUNTRIES ON SECURITY ASSISTANCE WHICH IT WAS STUDYING, BUT IT PREFERRED TO DEAL WITH THE UNITED STATES BECAUSE OF ECUADOR'S BASIC POLITICAL ORIENTATION AND THE FACT THAT OTHER SUPPLIES MIGHT BE MUCH MORE EXPENSIVE IN THE LONG RUN. BUT TIME WAS SHORT, HE SAID, SINCE ECUADOR HAD VERY LITTLE DEFENSIVE CAPABILITY NOW AND HAD TO CREATE ONE IMMEDIATELY TO DEFEND ITS TERRITORY. THE BEST WAY TO ACHIEVE THIS GOAL WOULD BE IN COOPERATION WITH THE U.S., AND HE HOPED THAT ECUADOR'S NEEDS WOULD COINCIDE WITH THE CARTER ARMS TRANSFER POLICY.

23. AMBASSADOR BLOOMFIELD REMARKED THAT ALTHOUGH HE IN NO WAY MEANT TO CONTRADICT THE ECUADOREAN CASE, HE HAD TO POINT OUT THAT THE U.S. HAD DEMONSTRATED THAT IT DID INDEED UNDERSTAND THE ECUADOREAN PROBLEM. FOR INSTANCE, ECUADOR WAS THE ONLY COUNTRY IN LATIN AMERICA THAT HAD ITS FMS CREDIT INCREASED IN FY 1977. ALSO, THE 66 SHIPMENT OF THE ANTI-TANK WEAPONS REPRESENTED AN EXTRAORDINARY MEASURE SINCE THE EQUIPMENT WAS TAKEN OUT OF THE CURRENT U.S. INVENTORY. IN ADDITION, ECUADOR WAS THE FIRST COUNTRY TO RECEIVE THE NEW PRODUCTION OF LAWS. AMBASSADOR BLOOMFIELD ALSO POINTED TO THE DELIVERY OF THE LST WHICH HAD HAD TO RUN THE GAUNTLET OF CONGRESSIONAL APPROVAL. AMBASSADOR BLOOMFIELD REPEATED MRS. CARTER'S STATEMENT REGARDING THE ADMINISTRATION'S POLICY THAT IT WOULD MAKE NO PROMISES WHICH IT CAN'T FULFILL. WITH REGARD TO THE ARMY'S PROBLEM OF DELIVERY TIME, AMBASSADOR BLOOMFIELD STATED THAT THIS WAS NOT A POLICY PROBLEM BUT RATHER A TECHNICAL PRODUCTION PROBLEM FROM WHICH OUR OWN ARMY

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IS ALSO SUFFERING. THE DESTROYERS, HE SAID, WERE UNDER ACTIVE CONSIDERATION, AND NOW THAT THE FISHING DISPUTE HAD QUIETED, HE HOPED THAT FAVORABLE ACTION WILL BE TAKEN. BUT, HE CAUTIONED, IT STILL NEEDED CONGRESSIONAL APPROVAL. AMBASSADOR BLOOMFIELD STATED THAT AIR DEFENSE IS AN AREA WHICH FALLS IN THE PURVIEW OF THE ADMINISTRATION'S ARMS CONTROL POLICY. IN THIS REGARD, HOWEVER, MRS. CARTER HAD TAKEN DUE NOTE OF THE IMBALANCE IN AIR DEFENSE AND WOULD BRING THE MATTER TO THE PRESIDENT'S ATTENTION.

24. POVEDA SWITCHED THE DISCUSSION TO ECUADOR'S DOMESTIC POLITICS AND EXPLAINED THE GOVERNMENT'S POLICY OF TRANSFERRING THE REINS OF POWER TO A CONSTITUTIONAL CIVILIAN GOVERNMENT IN THE NEAR FUTURE. HE SAID THAT ECUADOR WAS CURRENTLY IN THE MIDDLE OF A PROCESS THAT WAS DESIGNED TO ACCOMPLISH THIS. DRAFTS OF TWO ALTERNATIVE CONSTITUTIONS HAD JUST BEEN DELIVERED TO THE SUPREME COUNCIL BY COMMISSIONS DRAWN FROM A BROAD SPECTRUM OF POLITICAL CURRENTS. A REFERENDUM TO CHOOSE A CONSTITUTION WOULD BE CALLED WHEN THE ISSUANCE OF NEW IDENTIFICATION CARDS WAS COMPLETE, AND THAT THIS WOULD BE FOLLOWED BY PRESIDENTIAL ELECTIONS AND FINALLY BY THE INSTALLATION OF A CONSTITUTIONAL GOVERNMENT. THE GOVERNMENT FELT THAT THIS PLAN WAS BOTH ACCEPTABLE AND FEASIBLE AND BELIEVED THAT IT WOULD DISCOURAGE EXTREMISM, TERRORISM, AND THE CREATION OF GUERRILLAS. POVEDA THOUGHT THAT ECUADOR'S DECISION TO TRANSFER POWER TO CIVILIANS HAD ALREADY HAD REPERCUSSIONS THROUGHOUT THE HEMISPHERE AND WOULD CONTINUE TO PRODUCE THEM. FOR INSTANCE, WHEN ECUADOR HAD FIRST PROCLAIMED ITS INTENTION, FEW, IF ANY, DE FACTO GOVERNMENTS HAD BEEN TALKING ABOUT AN END TO MILITARY RULE. HE PROUDLY OBSERVED THAT THERE WERE NOW SEVERAL OTHER COUNTRIES THAT WERE TALKING THE SAME WAY. IN CARRYING OUT THIS POLICY, THE GOVERNMENT WAS ACTING IN GOOD CONSCIENCE, REALIZING THAT IN ORDER TO SUCCEED IT MUST RESPECT FREEDOM OF SPEECH, HUMAN RIGHTS AND JUSTICE.

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S E C R E T SECTION 6 OF 6 QUITO 3649

LIMDIS

FROM CARTER PARTY

25. CONTINUING ON THIS THEME, THE MINISTER OF GOVERNMENT, COL. BOLIVAR JARRIN, SAID THAT CIVIL LIBERTIES AND RIGHTS WERE VERY WELL DELINEATED BY THE GOVERNMENT, AND THAT THESE LINES WERE RESPECTED. HE CLAIMED THAT ECUADOR HAD NO POLITICAL PRISONERS, THAT THE GOVERNMENT PERSECUTED NOBODY BECAUSE OF POLITICAL BELIEFS, AND THAT THERE WERE NO EXILES. ECUADOR, HE SAID, MAINTAINED A COMPLETE RESPECT FOR HUMAN RIGHTS.

26. MRS. CARTER INDICATED THAT THE FACT SHE HAD COME TO ECUADOR WAS EVIDENCE OF OUR ACKNOWLEDGEMENT OF ECUADOR'S RECORD ON HUMAN RIGHTS AND ITS PLAN TO RETURN TO DEMOCRATIC GOVERNMENT. SHE INFORMED THE ECUADOREAN SIDE THAT YESTERDAY THE PRESIDENT HAD SIGNED THE AMERICAN CONVENTION ON HUMAN RIGHTS, AND NOTING THAT ECUADOR HAD ALREADY SIGNED IT, EXPRESSED THE HOPE THAT IT WOULD RATIFY THE CONVENTION AS SOON AS POSSIBLE. MRS. CARTER THOUGHT THAT ECUADOR COULD PLAY A UNIQUE ROLE BY SERVING AS AN EXAMPLE IN THE HUMAN RIGHTS FIELD JUST AS IT WAS IN RETURNING TO DEMOCRACY. SHE THEN ASKED WHETHER HER HOSTS HAD ANY IDEAS ON HOW TO STRENGTHEN THE INTER-AMERICAN HUMAN RIGHTS COMMISSION.

27. POVEDA THANKED MRS. CARTER FOR HER FRANKNESS AND SINCERE WISHES. HE STATED THAT ECUADOR, AS FEW OTHERS IN LATIN AMERICA, COULD COOPERATE AND SUPPORT THE ACCEPTANCE OF THESE CONCEPTS IN OTHER COUNTRIES, AND PROMISED TO EXPLORE FURTHER HOW TO ACCOMPLISH THIS. POVEDA APOLOGIZED THAT LACK OF TIME PREVENTED THE MEETING FROM DISCUSSING MRS. CARTER'S QUESTION ON THE HUMAN RIGHTS COMMISSION AS WELL AS ECONOMIC AND SOCIAL MATTERS, BUT SAID HE WOULD GIVE MRS. CARTER MEMORANDA ON THE LATTER PROBLEMS. POVEDA CONCLUDED BY THANKING

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MRS. CARTER FOR THE ATTENTION SHE HAD DEVOTED TO HIS  
COUNTRY AND FOR HER ELOQUENCE. HE SAID THAT HER RE-  
SPONSES HAD ALREADY PLEASED THEM. IT WAS ALWAYS GOOD  
TO HAVE A DISCUSSION AMONG FRIENDS ESPECIALLY WHEN  
BOTH DESIRE TO ACHIEVE THE SAME UNIVERSAL POLICY.  
MRS. CARTER, HE SAID, HAD WON THE HEART OF ECUADOR BY  
HER CHARMING PERSONALITY AND HER VALUE AS A HUMAN BEING. BLOOMFIELD

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